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SOURCE All provincial Soviet newspapers. (Information requested.)

# USSR LOWERS CONSUMER GOODS PRICES

The 1947 monetary reform and the abolition of rationing reduced high prices in commercial trade and introduced uniform state retail consumer goods prices. This was the first step in lowering consumer goods prices. During 1948, consumer goods prices in state retail trade were reduced by at least 57 billion rubles. This represented a deficit for the state budget which had to be covered, and was actually covered by the Government as a result of the increase in labor productivity, increased production of consumer goods, and lower production costs. At the same time, the above amount presented a net gain for the population.

The lowering of prices in state retail trade caused a corresponding lowering of prices in the kolkhoz and cooperative markets. Since kolkhoz and cooperative goods sold to the population in the course of a year constituted 33 percent of all goods sold, the reduction of kolkhoz and cooperative trade prices amounted to at least 29 billion rubles.

Consequently, the population gained, in the course of a year, about 86 billion rubles from the lowering of retail prices. The first step in the lowering of prices increased the purchasing power of the ruble and made the rate of exchange for foreign currencies more favorable. It also improved the real wages of workers and intelligentsia, and reduced farmers' expenses for the purchase of industrial goods.

The further development of the USSR national economy, increased production of consumer goods, and new achievements in reducing production costs during the second half of 1948 made possible the introduction of further price reductions on consumer goods. The Soviet of Ministers USSR and the TsK VKP (b) decided to put these reductions, which had partially been begun in 1948, into effect as of 1 March 1949. This will be the second stage in lowering consumer goods prices.

The new lowering of prices as established by the present decree will cause a further reduction of consumer goods prices in state retail trade in the amount of at least 48 billion rubles on an annual average. This deficit in the state

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budget, which at the same time represents a net gain for the population, must, and undoubtedly will be, covered by the Government with the aid of various economic measures, in spite of serious difficulties to be overcome in this connection.

The new lower state retail trade prices will cause an immediate and corresponding reduction of kolkhoz and cooperative trade prices. This will represent an additional gain by the population of not less than 23 billion rubles. Therefore, the second stage in lowering prices will bring the population a total gain of about 71 billion rubles in the course of a year. This means that, as a result of the new lowering of prices, the purchasing power of the ruble will rise considerably and the rate of foreign currency exchange will be more favorable. The real wages of workers and intelligentsia will improve considerably and the farmers' expenses for the purchase of industrial goods will be reduced.

Prices on consumer goods will be lowered as follows:

	<u>Percent</u>
Bread and flour	10
Macaroni and grits	10
Feed grain, oil cakes, bran, and combination feed	20
Hay	30
Pastry, spiced cookies, and cakes	10
Meat, sausage products, and canned food	10
Fish and fish products	10
Creamery butter and melted butter (for cooking)	10
Cheese and "brynza" (special cheese)	20
Salt	30
Vodka	28
Liqueur and vodka products	25
Grape wines, cognac, and fruit and berry wines	15
Tobacco products	10
Perfumery goods	20
Overcoats, suits, dresses, and other woolen fabric products	12
Dresses, shirts, blouses, and other silk fabric products	15
Woolen fabric	10
Silk fabrics	10
Made-to-order clothing in fashion ateliers and workshops	20
Thread	15
Silk stockings and socks	15
Fabric shoes and combination footwear	15
Hats and caps	15
Textile haberdashery goods	15
Handstitched and embroidered goods	15
Furs	10
Metal and imitation leather fancy articles	10
Plastic and cellulose articles (dishes, articles for every-day use, etc.)	20
Household metalware (knives, forks, spoons, etc.)	10
Electric household goods (electric tea kettles, hot plates, electric irons, etc.)	10
Ironware	20
Harness goods	20
Cement	30
Motorcycles	15
Bicycles	20
Radio receivers	20
Television sets	25
Upright pianos, accordions, "bayany" (kind of accordion), and harmoniums	20

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	<u>Percent</u>
Phonographs	30
Phonograph records	20
Watches and clocks	30
Jewelry	20
Typewriters	20
Cameras and binoculars	10

Prices in restaurants, tea shops and other public eating places will be lowered correspondingly.

The Ministry of Trade USSR has been authorized in accordance with the present decree, to set new, lowered retail prices for the goods listed above.

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